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C O N F I D E N T I A L SECTION 01 OF 02 MUNICH 000322

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TAGS: [PREL](#) [PGOV](#) [GM](#)

SUBJECT: GERMANY/BAVARIAN ELECTIONS: CATASTROPHIC CSU
LOSSES MARKS END OF AN ERA AND FORESHADOWS POLITICAL CHANGES

Classified By: Consul General Eric Nelson for reasons 1.4 (b) and (d)

¶1. (C) Summary: The Christian Social Union (CSU) in Bavaria lost 17 points off its 2003 result and brought home only 43 percent of the vote in September 28 state elections. The CSU also lost its 46-year absolute majority in the state parliament. Although the CSU will make no immediate personnel changes, the party will draw many lessons over time from this historic loss. One likely outcome will be increased CSU assertiveness at the national level to re-establish its image as a defender of Bavarian interests within the federal government. This will make the CSU a more demanding partner for Chancellor Merkel, at a time when her other Grand Coalition partner, the Social Democratic Party, also is staking out its own positions in the run-up to next year's national elections. The "catastrophic loss" for the CSU, however, translated into excitement for the Free Democrats (FDP) and Freie Waehler (Independents), who both made big gains. The CSU could form a coalition with either party, but early indications suggest the FDP is more likely. The SPD, which actually lost some ground and returned its worst result ever in Bavaria, is trying to focus attention on the CSU's fall and to downplay the election as a reflection on the new SPD national leadership duo of Frank-Walter Steinmeier and Franz Muntefering. The parties will caucus September 29 to chart new courses across this unknown territory. End Summary

A CSU NIGHTMARE - BUT OTHERS GAIN

¶2. (SBU) "Well beyond any worst case scenario we ever considered" is how Bavarian Minister President Guenter Beckstein (CSU) characterized the "catastrophic" 43.4 percent showing of the CSU in the September 28 Bavarian elections, down 17 points from an historic high five years ago. The CSU must seek a coalition partner in the Bavarian Parliament (Landtag) for the first time in 46 years. On "a painful day," the CSU has had to swallow the message that "the voters still trust the CSU to lead Bavaria but do not want us to do it alone any longer," Beckstein and his team admitted in a series of interviews after the polls closed. SPD leader Franz Maget deflected suggestions that the SPD's historic low reflected poorly on the new national leadership team of Foreign Minister Steinmeier and incoming SPD Chairman Muntefering. He focused instead on what he said was "really a Bavarian election." He was beaming, not because the SPD had lost ground and got only 18.6 percent of the vote (down one point), but because "so many voters had broken the habit of voting for the CSU." Those voters crossed over to the FDP, with 8 percent, up 5 points, and the Freie Waehler (Independents), with 10.2 percent, up more than 5 points. Bavaria remains politically center-right by splitting 60 percent of the vote among these parties. The Left Party got just over 4 percent, a result that was an improvement for the party but that leaves them under the five-percent hurdle. The Greens held even with 9.4 percent, up about 2 points.

¶3. (SBU) The CSU lost its absolute majority only five years after winning two-thirds of the seats under Edmund Stoiber.

The CSU has announced that it will conduct a "merciless review" of the causes. Some commentators have identified the apparent loss of CSU clout at the national level as a reason for voter disenchantment. The CSU leadership's attempt to revive a tax break for commuters -- which was brushed off by Chancellor Merkel and other CDU heavy hitters -- was emblematic of the CSU's dwindling influence. Poorly handled state-level issues like the state-wide ban on smoking (which alienated owners of small restaurants and bars, a critical part of the CSU-friendly milieu) also played a role. After caucusing on the morning after, CSU chairman Erwin Huber has announced that the party would make no immediate personnel changes. He said he had refused to accept the resignation of party General Secretary Christine Hardethauer.

14. (SBU) The "Freie Waehler" (FW), a collection of independent candidates without obvious ideological bent, and the FDP each capitalized on these diffuse feelings of discontent, picking up ten points between them. The FDP returns to the Landtag after a 14-year absence. The party has been offering itself as a coalition partner and this is the most likely outcome, plus it would give the FDP a tailwind for the 2009 Bundestag election campaign. As for the FW, commentators argue that theirs was a protest vote, especially since the party has no official regional "platform." They are a communal party, traditionally focusing on local issues, and this was its first time running state-wide. The Greens held steady, arguing that the CSU was punished for its national position on genetically modified organisms as expressed by Federal Minister for Food Horst Seehofer.

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NATIONAL REVERBERATIONS

15. (C) Bavaria's political revolution will have serious implications for Germany's national political system. Historically, Chancellor Angela Merkel's CDU has benefited from a strong showing by their sister party, the CSU, in conservative Bavaria. The CSU's dramatic decline now threatens the prospects of a possible CDU/CSU-FDP coalition government after the 2009 election. Such a coalition is questionable if the CSU is not polling comfortably over 50 per cent. The chance of such a coalition becoming reality is now less likely. A weakened CSU could be burdened by infighting; it could also spar with the CDU, blaming it for inadequate support in advance of the September 28 elections.

16. (C) The federal Grand Coalition will now worry about the political math in the Bundesrat (Upper House), especially the decline of its majority. Currently, the Grand Coalition (CDU/CSU and SPD) has 41 of 69 votes in the Bundesrat. As a result of the loss of CSU's majority in Bavaria, the CSU must now enter into a coalition, most likely with the FDP. Since this coalition arrangement will not reflect the composition of the Grand Coalition on a national scale, it will lose another six votes, resulting in a razor-thin majority in the Bundesrat (35 of 69 votes). Adding salt to the open wound, if CDU Minister-President Roland Koch (Hesse) lost power to an SPD-Green coalition, then Merkel's coalition could be reduced to a minority in the Bundesrat. This would further hamstring Merkel's legislative agenda but would not necessarily lead directly to a collapse of the Grand Coalition.

17. (C) Regarding the outlook for the election of the federal president in May 2009, the Bavarian returns will likely have no direct effect on incumbent President Horst Koehler. Either of the CSU's coalition partners, the FW and the FDP, are more likely to support Koehler than SPD candidate Gesine Schwan.

NO REASON FOR REJOICING IN THE SPD

18. (C) FM Steinmeier, SPD Chancellor candidate, said September 28 that "this earthquake result will affect the party landscape nationwide." It does not appear, however, to have lifted the SPD out of its polling doldrums. The Bavarian SPD failed to capitalize on the political tailwind generated by the new SPD leadership in Berlin. Despite several campaign appearances by Frank-Walter Steinmeier and Franz Muntefering, Bavarian voters apparently remained unimpressed by the SPD. The SPD therefore has focused on the decline of the CSU and future infighting between the CDU and CSU. The Muntefering-Steinmeier duopoly will be pondering the result at a time when they are attempting to reinvigorate the SPD with a new leadership and new platform. The Left Party's respectable showing even in conservative Bavaria is also an indicator of the SPD's failure to stem the rise of the Left Party.

COMMENT

19. (C) With its demotion from hegemon to merely the dominant power in Bavaria, the CSU is the victim of its own economic and development successes in the region it ruled alone for 46 years. Bavarian politics is starting to reflect life in the modern, successful Bavaria, more complicated and colorful than ever before, and a leader in Germany in many fields. Chancellor Merkel and the CDU now must reassess the remaining power of their once monolithic partner, yet another of the reverberations of shifting political forces in Germany a year ahead of the next federal election.
NELSON